

STAT

2 March 1959

**MEMORANDUM FOR THE DIRECTOR**

**SUBJECT: NIE 34-59: "The Outlook for Iran"**

**BACKGROUND**

1. This estimate was initiated at the request of the Department of State which wanted a re-examination of the situation in Iran in broader perspective than that contained in SNIE 34-58, "Stability of the Present Regime in Iran," dated 26 August 1958. Completion of the present estimate was delayed at the DCI's request about a month ago when negotiations for a Soviet-Iranian non-aggression pact were in progress. At that time, we published SNIE 34-2-59, "Consequences of a Soviet-Iranian Non-Aggression Pact," dated 3 February 1959. NIE 34-59 has now been revised to take into account recent developments in Iran's relations with the US and the USSR, especially in regard to the Soviet threat to Iran.

**SUBSTANCE**

2. The representatives have no dissents or reservations and we anticipate no major substantive questions being raised in the USIB concerning this paper. For your information, the State Department representative - apparently at the request of State's policy people - persistently objected to the sentence: "Indeed, in the face of intensified Soviet pressure, he [the Shah] will probably seek expanded US support more importunately than ever." This is the last sentence in Para. F of the Conclusions and Para. 31 of the Discussion.) The core of State's objection seems to be that the Shah may press for increased security commitments but as a result of his experience with US steadfastness on the question of aid during the past few months is unlikely to continue to importune the US for more aid. We believe with the other representatives that the sentence should remain as it is.

**FOR THE BOARD OF NATIONAL ESTIMATES:**

**SHERMAN KENT  
Assistant Director  
National Estimates**